



**ENVIRONMENTAL
ENTREPRENEURS**

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February 27, 2012

The Honorable John Boehner
Speaker of the House
U.S. House of Representatives
H-232 Capitol Building
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
H-204 Capitol Building
Washington, DC 20515

Re: Oppose H.R. 1837 (Nunes)

On behalf of Environmental Entrepreneurs (E2), a national organization of business leaders who advocate for effective environmental policy to grow the economy, I am writing to express our strong opposition to H.R. 1837(Nunes).

E2 is a non-partisan, national community of business leaders who promote strong environmental policy to grow the economy. We are entrepreneurs, investors, and professionals from every sector of the economy who collectively have been involved in financing, creating or working in the early development of more than 1,100 companies, which have created over 500,000 jobs. Our members manage over \$90 billion in private equity capital that will flow over the next several years into new companies.

Water management is a growing challenge across the nation, particularly in the West. In particular, developing balanced water solutions is essential to California's long-term economic and environmental health. Perhaps the most daunting water management challenge facing California is the need for a plan that will advance the co-equal goals of improving water supply reliability and restoring the health of the Bay-Delta environment and its fisheries. The Delta provides water for millions of acres of farm land and a portion of the water supply for more than 25 million California residents. The Delta Protection Commission has determined that the Delta itself also provides nearly \$800 million in annual agricultural revenue and \$250 million in revenue related to recreation. The economic value of the Delta environment extends even farther. A healthy Bay-Delta is central to the quality of life and economy in the Bay Area. The Bay-Delta ecosystem also supports a salmon industry estimated by the state to contribute \$250 million per year to the California economy.

In 2009, the state legislature passed a package of water reform bills called the Delta Reform Act. E2 supported this package, which codified the co-equal goals described above and established a roadmap for a balanced Delta plan. H.R. 1837, on the other hand, would establish a far different and conflicting federal mandate for the management of the Delta. In particular, it would block the science-based environmental protections for the Delta that are mandated under state law. Thus, this bill would create a nearly insurmountable obstacle to the state and federal agency cooperation that is an essential ingredient of a

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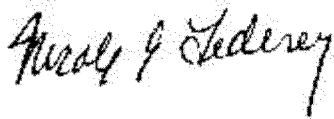
successful Delta plan. Simply put, H.R. 1837 would lead to gridlock in the Delta, with potentially disastrous consequences for ecosystems and water users, causing economic damage to communities across the state.

H.R. 1837 contains additional damaging provisions. The bill would block a bipartisan, consensus agreement to restore the San Joaquin River. It would repeal provisions in the Central Valley Project Improvement Act that are designed to restore damaged fisheries, provide critical waterfowl habitat, and encourage water use efficiency.

Perhaps the bill's most radical provision is a sweeping override of state law and the state constitution, making it impossible for the state to manage state water resources, administer state water rights and protect state natural resources. This provision would fly in the face of over a century of congressional deference to state water law. It would lead to endless conflict and litigation – as California's water resources would be managed by Congress, rather than by state agencies and state law.

These and other provisions would damage the state's economy and environment, leading California to decades of litigation and conflict. We strongly urge you to oppose H.R. 1837 and to embrace the balanced and effective approach embodied in existing state law. We believe that approach can become a successful national model for resolving challenging water issues.

Sincerely,

A handwritten signature in black ink, reading "Nicole Lederer". The signature is written in a cursive, flowing style.

Nicole Lederer
Co-Founder, Environmental Entrepreneurs

Cc: Senator Dianne Feinstein
Senator Barbara Boxer